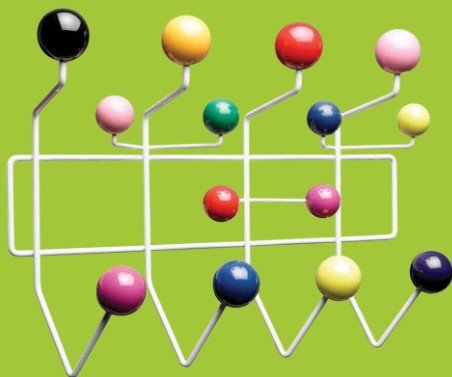


# Integration and inclusion of vulnerable groups on the labour market in Europe

EZA-HIVA-research project 2015-2016

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# An interesting EZA research project!

- EZA training programme 2015/2016
- Europe 2020 strategy on the integration and inclusion on the labour market
- Research project with HIVA  
(Research institute for Work and Society of the University of Leuven/Belgium)
- Focus: set of specific vulnerable groups on the labour market
- Accent: (re-)integration in enterprises

# Overview

- An inclusive labour market
  - EU-policies on inclusive labour markets
  - EU social partners framework agreement
  - Vulnerable groups on the labour market
- Young workers
- Older workers
- Conclusions

# AN INCLUSIVE LABOUR MARKET

# Starting point: the EU-policy on inclusive labour markets

## Fact:

- Different vulnerable groups on the European labour markets:
  - Higher unemployment rate / lower activity rate
  - Higher risks of precarious work
  - Segregation
- *An inclusive labour market allows and encourages all people of working age to participate in paid work, especially vulnerable and disadvantaged people*

# EU 2020 strategy

2 targets = directly linked to inclusive labour markets:

- “By the year 2020, 75% of the 20-64 year-olds to be employed”  
→ generalised participation on the EU-labour market
- “At least 20 million fewer people in or at risk of poverty and social exclusion”  
→ work is the most effective way for combating poverty and social isolation

# EU 2020 strategy

Promote inclusive labour markets to

- maximize full potential
- demographic evolutions
- growing diversity
- sustain social protection systems

This means

- Make it easier (re-)join
- Remove disincentives

# EU-POLICY ON INCLUSIVE LABOUR MARKETS



# EU-policy on inclusive labour markets

**Promoting** inclusive labour markets means

- promoting quality jobs and preventing in-work poverty
- helping people stay in work and advance in their careers

**Achieving** an inclusive labour market is:

- a multi-faceted challenge
- a key concern for
  - public authorities
  - employers
  - and employees (and their representatives)
  - intermediate organisations,....

# EU-policy on inclusive labour markets

## Challenges

- next to demographical changes, globalization and migration, pressure on natural resources,...
  - Financial and economical crisis:
    - increasing risk poverty and social & labour market exclusion
    - Increasing divergences within and between Member States
- Negative social and economic consequences/costs
- EU 'Social investment Package' 2013: **speed up**
- < Commission recommendation of 3 October 2008  
*on the active inclusion of people excluded from the labour market*

# EU-policy on inclusive labour markets

*“All member states should organise and implement integrated active inclusion policies”*

- Adopt support arrangements for persons fit for work
  - to enter or re-enter in employment
  - to stay in employment
- in accordance with common principles & practical guidelines

# EU-policy on inclusive labour markets

## Common principles

- address the needs of people **excluded** from the labour market
  - » to facilitate progressive reintegration
  - » enhance employability
- ensure access to employment is an opportunity open **for all**
- promote **quality jobs**
- tackle labour market **segmentation**

# EU-policy on inclusive labour markets

## Practical guidelines

- inclusive education and training policies
- active and preventive labour market measures
  - tailored, personalised, responsive services and support
- review incentives and disincentives from tax and benefit systems
- provide support and raise awareness
- promote adaptability & provide in-work support

# Commission Recommendation of 2008

## Active labour market policies (ALMPs)

- Support access and return to employment
- Avoid unemployment becomes long term
- 3 main categories
  - Personalised support and guidance (PES)
  - Learning and Training schemes, lifelong learning
  - Employment subsidies

# Active Labour Market Policies (ALMPs)

- Lowest long term unemployment -> highest level of participation in ALMP
- reduce the risk of long-term unemployment: facilitate outflow from unemployment
  - mix of activation measures and institutional setting
  - adapt to situation and groups targeted

## Role of trade unions:

- stronger trade unions -> more developed ALMPs

# 2013: follow up on the 2008-recommendation

- Labour markets are not yet inclusive
- Most successful EU MS: policy similar to active inclusion principles
- **More efforts** on ALMPs are necessary
  - Only small share of GDP (especially in eastern MS) + no rise in funding
  - Crisis -> need for measures tailored for specific vulnerable groups
  - Differences between MS in degree to which target 'those furthest from labour market'



# EU SOCIAL PARTNERS FRAMEWORK AGREEMENT

# EU Social partners framework agreement

= Autonomous framework agreement on inclusive labour markets  
(ETUC, BUSINESSEUROPE, UEAPME and CEEP, 25 March 2010):

- access, return, retention and development on the labour market
- to achieving full integration of individuals on the labour market:
  - difficulties in entering, returning to or integrating into the labour market
  - at risk of losing their job

# The EU Social partners framework agreement

- MS: comprehensive policies
  - Promote inclusive labour markets
  - Involvement of social partners
- Specific measures include (for example):
  - organise awareness-raising campaigns/action plans to improve the image of a sector/occupation(s)
  - Information about availability of jobs and training schemes
  - Promote more and better apprenticeship and traineeship contracts
  - ...

# WHAT ARE VULNERABLE GROUPS?

# Definition of vulnerable groups

- = not a monolithic notion
  - a focus on certain categories is necessary  
(based on certain individual characteristics)
- Vulnerable groups on the labour market =
  - Groups with a lower employment rate than the country average
    - country differences
  - And/or, when in employment,
    - Risks for more precarious work
    - Segregation at both the sectoral and occupational levels  
(‘glass ceilings’ and ‘glass walls’)

# Focus of EZA-HIVA report

- Labour market situation of different vulnerable groups, with focus on
  - Young and older people
  - Women
  - People with disabilities/chronic diseases
  - Migrants and ethnic minorities
  - Low skilled
- Position on the labour market: facts, causes & consequences
- Specific actions with involvement of workers organisations

# THE YOUNG ON THE LABOUR MARKET (AGE 15-24)

# Labour market situation of the youth

- higher unemployment risk: 23,4% (in 2013) while 25+ unemployment rate = 9.5%
- Big differences between MS

	Male		Female		< 25 years	25-74 years
	2007	2013	2007	2012	2013	2013
EU-28	6.6	10.8	7.9	10.9	23.4	9.5
Euro area	6.7	11.9	8.6	12.1	24.0	10.7
Belgium	6.7	8.7	8.5	8.2	23.7	7.1
Bulgaria	6.5	13.9	7.4	11.8	28.4	11.8
Czech Republic	4.2	5.9	6.7	8.3	18.9	6.1
Denmark	3.4	6.7	4.2	7.3	13.0	5.9
Germany	8.6	5.6	8.8	5.0	7.9	5.0
Estonia	5.4	9.1	3.8	8.2	18.7	7.6
Ireland	5.0	15.0	4.3	10.7	26.8	11.6
Greece	5.2	24.3	12.8	31.3	58.3	25.3
Spain	6.4	25.6	10.7	26.7	55.5	23.8
France	7.6	10.4	8.5	10.2	24.8	8.8
Croatia	8.4	17.8	11.2	16.6	49.7	14.1
Italy	4.9	11.5	7.9	13.1	40.0	10.3
Cyprus	3.4	16.6	4.6	15.2	38.9	13.6
Latvia	6.5	12.6	5.6	11.1	23.2	10.7
Lithuania	4.2	13.1	4.3	10.5	21.9	10.9
Luxembourg	3.4	5.4	5.1	6.4	17.4	5.0
Hungary	7.1	10.2	7.7	10.2	27.2	8.9
Malta	5.9	6.6	7.6	6.4	13.5	5.2
Netherlands	3.1	7.1	4.1	6.3	11.0	5.9
Austria	3.9	4.9	5.0	4.9	9.2	4.3
Poland	9.0	9.7	10.3	11.1	27.3	8.8
Portugal	8.0	16.4	10.0	16.6	37.7	14.8
Romania	7.2	7.9	5.4	6.6	23.6	5.9
Slovenia	4.0	9.5	5.9	10.9	21.6	9.2
Slovakia	10.0	14.0	12.8	14.5	33.7	12.5
Finland	6.5	8.8	7.2	7.5	19.9	6.5
Sweden	5.9	8.2	6.5	7.8	23.4	5.7
United Kingdom	5.6	8.0	5.0	7.0	20.5	5.4
Iceland	2.3	5.7	2.3	5.1	10.7	4.3
Norway	2.6	3.7	2.5	3.3	9.1	2.6
Turkey	8.7	7.9	9.1	10.5	17.0	7.1
United States	4.7	7.6	4.5	7.1	15.5	6.1
Japan	3.9	4.3	3.7	3.7	6.8	3.8



# Labour market situation of the youth

## Strong impact of the economical crisis:

- strong increase unemployment
- Longer in education
  - ↔ 13% NEETs (7.5 mio)
  - ↔ much early school leaving & non-completion of
- ‘False start’: start below qualifications
- Less training opportunities
- More involuntary in non-standard jobs (2013)

Situation 2013	Youth	Overall workers
Temporary contracts	42.7%	13.8%
Part time work	31.9%	19.6%

# Causes & consequences

## Some causes:

- Lack of experience (vs experience unemployed)  
*“When they have a choice, employers prefer employees who are immediately employable”*
- Early school leaving
- Skill mismatch

## Consequences

- Risk of a lost generation
- Scarring by long term unemployment
- Skills obsolescence brought about by long-term unemployment
- False start ⇨ locking in effect

# Actions are necessary and possible

## At different levels:

- EU Level: The Youth Guarantee (April 2013)
- National levels
- Sectoral level
- Organisational level

# Actions at EU level

## The Youth Guarantee (April 2013)

- All MS: job, continued education, an apprenticeship/traineeship **within four months** of leaving formal education or becoming unemployed.
- EU-level tools to help MS
- in close partnership with the social partners and the relevant stakeholders

# Actions at national level

## Government and other public institutions and programs

- Adapting education
- Investment & partnerships
- Dual learning/dual educational systems (apprenticeships)
- ALMP with focus on young people
- campaigns to raise public awareness/sharing information
- campaigns towards sectors and organisations to tackle discrimination, to promote diversity, to promote lifelong learning
- ...

# Social partner actions

## Short term

- Monitoring and evaluation of vocational education and training (VET): to ensure smooth transitions
- Apprenticeship systems:
  - Governance
  - Barriers to the development
  - EU alliance
  - Apprenticeship agreements: terms, learning objectives, ...
- Improving European social partners: Framework on actions on youth employment, 2013
- joint actions towards the Council and the European Parliament
- STEM: promote attractiveness, image (more women)

# Social partner actions

## Long term

- Match education-labour market
  - education which better meets labour market needs & young people's needs
  - Fostering personal development and employability
- Strengthen dual learning elements in existing work-based learning models

# THE ELDERLY ON THE LABOUR MARKET (AGE 55 +)



# Older workers in Europe

- ageing population
- declining activity and employment (of 55+)

⇒ **Target:** raising of the employment rate through extending working life

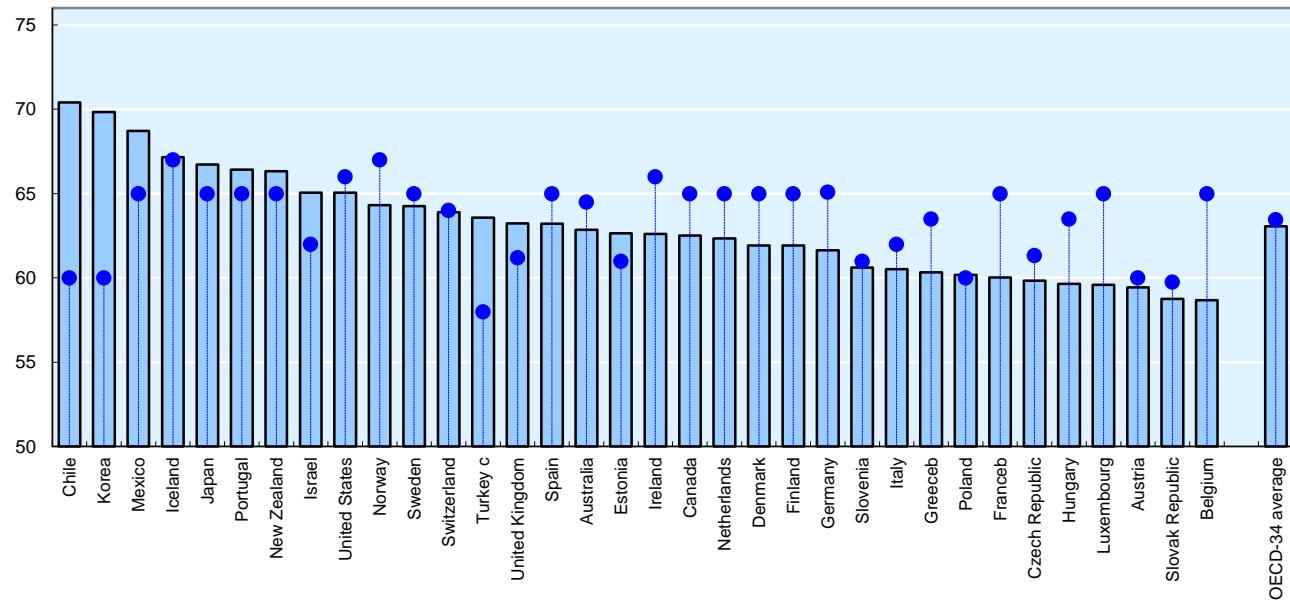
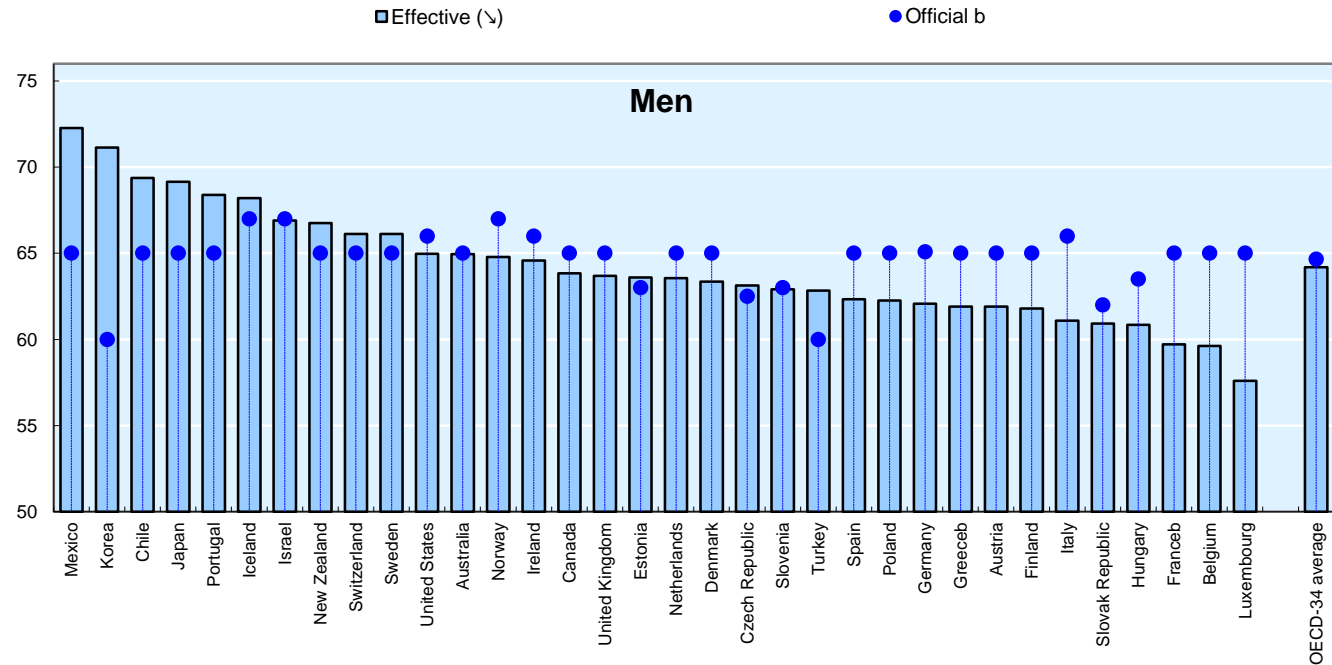
# Employment rate

- In 2013:  
average  
employment  
rate 55-64  
years = 50%

AGE	From 15 to 64 years	From 55 to 64 years
GEO/TIME	2013	2013
European Union (28 countries)	64,1	50,1
Belgium	61,8	41,7
Bulgaria	59,5	47,4
Czech Republic	67,7	51,6
Denmark	72,5	61,7
Germany (until 1990 former territory of the FRG)	73,5	63,6
Estonia	68,5	62,6
Ireland	60,5	51,3
Greece	48,8	35,6
Spain	54,8	43,2
France	64,1	45,6
Croatia	52,5	37,8
Italy	55,6	42,7
Cyprus	61,7	49,6
Latvia	65,0	54,8
Lithuania	63,7	53,4
Luxembourg	65,7	40,5
Hungary	58,1	37,9
Malta	60,8	36,3
Netherlands	74,3	60,1
Austria	72,3	44,9
Poland	60,0	40,6
Portugal	60,6	46,9
Romania	59,7	41,5
Slovenia	63,3	33,5
Slovakia	59,9	44,0
Finland	68,9	58,5
Sweden	74,4	73,6
United Kingdom	70,5	59,8
Iceland	81,1	81,1
Norway	75,4	71,1
Switzerland	79,6	71,7
Former Yugoslav Republic of Macedonia, the	46,0	37,9
Turkey	49,5	31,5

# Retirement rate

Average effective rate of retirement often below the official retirement age



# Causes

- push factors
  - Lack of adapted physical working conditions workers
    - But 40 +: weakening of the cardiovascular, respiratory and musculoskeletal functions.
    - 50+: decrease social, mental and visual capacities
  - Increase of standard wages with seniority/age
    - more expensive -> to be made redundant
- pull factors
  - A low standard retirement age
  - Early retirement schemes coupled with financial compensations
  - Gradual retirement possibilities

# Consequences

Consequences of lower employment rate of older cohorts on the labour market:

- Higher strain on the social security system
- Higher dependency rate on the younger, active population

# Policy measures on national level

## -> mitigating push factors:

- reducing fiscal of social security contributions for workers above a given age
- levelling off seniority based pay concepts
- installing a quota system for downsizing
- subsidising companies that invest in modifications

## -> mitigating pull factors:

- gradually raising the imposed retirement age
- slowing down voluntary early retirement provisions or financially penalising early retirement
- tighten entitlement to disability pensions

# Policy measures at company level

## Adapt working conditions to elder persons:

- Medical surveillance system
- Orient the in-company health & safety policy more towards ergonomics and psychosocial risks
- general health promotion campaigns and awareness sessions
- Ban shift work for workers above 50 years old
- ....

# Policy measures at company level

- Recruiement
  - age-specific advertisements campaigns, focus on experience & competences
  - positive actions
- Lifelong learning and training
  - To avoid skills deficits
- Career development
  - Perform tasks that harmonise with their particular occupational experience and knowledge
- Flexible working time practices
  - Safeguarding a better work-life balance
- Health protection and promotion and workplace design
  - Elder workers risk being exposed to working conditions that approach, or even exceed their maximum individual capacity



# Policy measures at company level

## Potential benefits for the company

- extra experience and skills
- cost containment when investing in skills and health promotion
- Retaining avoids expensive loss of skills & may increase market share
- intergenerational solidarity and work motivation

# CONCLUSION

# An inclusive labour market

Achieving an inclusive labour market is:

- a multi-faceted challenge
- a key concern for public authorities, employers and employees (and their representatives), intermediate organisations,....

Member States which are most successful adopt

- a comprehensive and integrated “active inclusion” approach
- in which employment activation measures, income support policies and high quality public services all play an important role and are mutually reinforcing

# Need for action

- Actions should be taken on different levels
  - EU level
  - National/regional level
  - Sectoral level
  - In-company level
- ... and **in collaboration** with “midfield organisations” (trade unions, interest groups, anti-discrimination working parties...)

# BUT

- Crisis since 2008
- Vulnerable = most important victims
- Can labour market initiatives deliver enough answers to the core of the problem?

⇒ What can workers' organisations do?

# Social partners actions: examples

- Availability of information
- Recrutement
- Training, skills & capabilities
- Responsibilities & attitudes  
of employers, workers, representatives and jobseekers
- Working life
- Combined and generalised labour market actions



**THANK YOU FOR YOUR  
ATTENTION**